

Message Text

CONFIDENTIAL

PAGE 01 KUALA 02376 230301Z
ACTION EA-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 PA-01 L-03 H-01 /091 W
-----096266 231426Z /45

R 230110Z MAR 78
FM AMEMBASSY KUALA LUMPUR
TO SECSTATE WASHDC 3064
INFO AMEMBASSY TOKYO
AMCONSUL HONG KONG

C O N F I D E N T I A L KUALU LUMPUR 2376

HONG KONG FOR SHARPE

E.O. 11652: GDS
TAGS: EFIN, MY, JA
SUBJ: MALAYSIAN CENTRAL BANK PLANS BOND ISSUE IN JAPANESE YEN

1. SENIOR OFFICIAL OF BANK NEGARA (MALAYSIAN CENTRAL BANK) TOLD ECON/COML COUNSELOR ON MARCH 22 THAT BANK DIRECTOR TAN SRI ISMAIL BIN MOHAMED IS IN TOKYO NEGOTIATING A MALAYSIAN GOVERNMENT BOND FLOTATION ON THE JAPANESE MARKET. SOURCE SAID THAT INTEREST RATE WAS TO BE NEGOTIATED TODAY, BUT THEY ARE HOPING IT WILL BE LESS THAN THE 6.8 PERCENT SINGAPORE RECENTLY PAID. HE DID NOT SPECIFY THE AMOUNT OF THE ISSUE.

2. TERMS OF UNDERSTANDING ARE THAT PROCEEDS OF ISSUE BE CONVERTED INTO OTHER CURRENCIES, APPARENTLY TO SATISFY JAPANESE GOVERNMENT'S DESIRE THAT TRANSACTION APPEAR ON THE BALANCE OF PAYMENTS ACCOUNTS AS A CAPITAL OUTFLOW. THIS WILL BE THE FIRST TIME GOM HAS ISSUED BONDS IN THE JAPANESE MARKET. GOM HAS NOT YET DONE SO IN NEW YORK, BUT HOPES TO IN THE NEAR FUTURE. REASON FOR ENTERING THE JAPANESE BOND MARKET WAS TWOFOLD. THE INTEREST RATE IS LOW AND GOM WISHES IT TO BUILD UP IT'S CREDIT AND BECOME
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUALA 02376 230301Z

KNOWN IN MAJOR FINANCIAL MARKETS.

3. IN RESPONSE TO ECON/COML COUSELOR'S QUESTION, SOURCE SAID BANK NEGARA IS NOT WORRIED ABOUT STRENGTH OF YEN. IT WILL HEDGE BY HOLDING AN EQUIVALENT AMOUNT OF ITS RESERVES OF YEN ASSETS.
MILLER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CENTRAL BANK, POLICIES, BONDS (SECURITIES), FOREIGN EXCHANGE, YEN (CURRENCY)
Control Number: n/a
Copy: SINGLE
Draft Date: 23 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KUALA02376
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780128-0395
Format: TEL
From: KUALA LUMPUR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780333/aaaabbmd.tel
Line Count: 61
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a3361fbf-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3227921
Secure: OPEN
Status: NATIVE
Subject: MALAYSIAN CENTRAL BANK PLANS BOND ISSUE IN JAPANESE YEN
TAGS: EFIN, MY, JA, BANK NEGARA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/a3361fbf-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014